

Supply—Justice

the world price as it fluctuates on the raw sugar market and add the commonwealth preference tariff of 28.7 cents.

In addition to this you must add the proportion of commonwealth tariff averaged over the most favoured nation tariff appropriate to the commonwealth producer, and this amounts to about 85 cents, which must again be added to the raw sugar price per 100 pounds of raw sugar. Therefore the first element in fixing the price in Canada is the tariff upon sugar.

After the raw sugar has been landed, the price of refined sugar is affected by the following factors. First there is the raw sugar price related to the tariff as we have discussed it, and then the refining margin, which in this 1957 report at page 55 is quoted at \$1.20 per 100 pounds, freight 80 cents, delivery \$1.89, insurance .02 cent and other expenses totalling 20 cents.

Now let me deal with the question of inventory. Somebody mentioned in the house earlier this evening or this afternoon that inventories are excessively high and that sugar refiners in Canada are speculating in inventory and making enormous profits. I do not know what present sugar inventories in Canada are. Perhaps they are excessively high, but because raw sugar production in the world has been falling off, and was below the level of consumption in 1962-63 and 1961-62, one would not expect to find that inventories are excessively high. However, let us assume for argument's sake that they are; but inventories of sugar cannot be converted into dollars for speculative purposes until such time as the sugar is sold to the public.

How is sugar sold? Each one of us consumes approximately 96 pounds of sugar a year. This figure does not vary very much, so that in Canada we consume approximately one million tons of sugar a year. If we want to reduce that to a unit we can look at easily, it comes to 13.5 tons for the members of the House of Commons, which is quite a lot of sweetening to go into the people in this chamber—and one wonders whether it has always been effective. Therefore it is not likely that much speculation has taken place on inventories, because inventories are not converted into sugar and sold, except at a relatively even rate on a fixed annual basis of 96 pounds per person.

To sum up I want to say that while the sugar industry in Canada has tended to be monopolistic and is almost by way of a utility, because it must be made up of large concerns, it has been under constant investigation by the federal government to see that it does not fix the price and become burdensome

[Mr. Deachman.]

upon the public. One government after another has had long experience in dealing with the sugar companies and, as a result of this, these companies have become relatively cautious about speculating in price and in rigging the price.

I conclude by saying that while there is reason to look very carefully at fluctuations in price of the kind that have taken place over the last few months, I submit that much of this is the result of world conditions, over which the Canadian industry has little control, and that that industry is not necessarily the culprit or the conspirator with regard to the present price.

Mr. Winch: Mr. Chairman, I was most pleased to hear the remarks of the hon. member for Bow River exposing one of the problems still outstanding our penitentiaries system. It is my intention to speak on some of the other problems and difficulties. In my estimation, sir, there are two important matters upon which I feel the Minister of Justice should make a detailed statement. First, he should give us an expose on his theories on penology and how and when he intends to put his theories into practice. Second, he should explain to this house his understanding and theories relating to the problem—and it is a serious problem—of narcotic addiction, and tell us how and when he intends to tackle this problem. Dealing with the penitentiaries system first, to the best of my understanding the purpose of our penitentiaries system is for the punishment of those who are anti-social and have broken the laws of this country; and second, to the best of our ability to rehabilitate them, so as to make them upon their release from the penitentiary useful and law abiding citizens.

If we deal with the second question first as being most important, which I think it is, surely it should be axiomatic that in order to rehabilitate a person into becoming a useful and socially conscious person you have to change his mental attitude. Surely changing a person's mental attitude and bringing about his rehabilitation depends to a great extent upon his environment. I say, sir, that to a considerable extent the environment in our penitentiaries is an absolute disgrace to a country which calls itself modern and civilized. I am not completely, or to any great extent, blaming our penitentiary officials for this situation. The greatest onus or responsibility rests upon governments, past and present, and to a great extent upon Liberals who have made up the governments of the past. Because let us not forget the Archambault report of 1938. Judge Archambault outlined in detail a most positive, disgusting, disgraceful situation in the penitentiaries system of Canada. He pointed this